



CITY OF
**West
Linn**

City of West Linn 2018-2019 Proposed Biennial Budget

Citizen's Budget Committee Meeting

May 17, 2017

Public Comment



- 🍃 3 to 5 minutes
- 🍃 Depending on number signed up to speak



Budget Committee Schedule

✓ April 25

Budget Message Delivery

✓ May 4

Election of Chair & Vice Chair, Personnel, General, Police, Library, Park Funds

✓ May 10 (Adult Community Center)

Utility and SDC Funds, Capital Improvement Plan, Debt Fund

🍃 May 17 (Police Department Community Room)

Contingencies, Reserves and Potential Appropriations/Issues and Options

Revenues and Master Fee Schedule

Community Grant Recommendation

Budget & Tax Rate Approval



Financial Policies – Page 8

The City of West Linn's financial goals seek to:

- Ensure the financial integrity of City operations
- Improve financial information for:
 - Policy makers as they contemplate policy
 - Managers as they implement policy
- Maintain the City's bond rating
- Ensure accountability, transparency, understanding



Fiscal Sustainability Goal for 2017 – Page 7

- Balance city service needs with fiscal realities over the coming several biennia given the impact of PERS funding on local governments.
- Assess the City's Capital Improvement Plan and options for capital improvement financing.
- Identify ways to increase the General Fund.

Financial Policies & Goals



Fund Type	Transfer of Resource (Cash) Allowed?	Reason
General	Yes	Resources available for common use
Special Revenue <i>Public Safety</i> <i>Library</i> <i>Parks</i> <i>Building</i> <i>Planning</i>	No	Resources dedicated to specific use (Gas Tax = Street Improvements)
Capital Project <i>SDC funds</i>	No	Resources available for specific capital improvement
Debt Service	No	Resources (property taxes) dedicated to retirement of debt
Proprietary <i>Water</i> <i>Environmental Services</i>	No	Must be self-supporting with profits re-invested back into fund for the benefit of the rate-payer

Based on GAAP (Generally Accepted Accounting Principles) and Oregon State Budget Law

2 Year Contingencies, Reserves and Potential Appropriations

(Amounts in Thousands: \$87 = \$87,000)

	FY 2019		Total (subject to & reserve calculation)	Contingency		Unappropriated EFB		Total		Reserves per Proposed Budget	Over(under) Policy Minimum
	Personal Services	Materials Services		Policy		Policy		Policy			
				%	Minimum	%	Minimum	%	Minimum		
1 General Fund	\$ 4,617	\$ 2,363	\$ 6,980	10%	\$ 698	5%	\$ 349	15%	\$ 1,047	\$ 1,250	\$ 203
2 Public Safety Fund	5,459	821	6,280	15%	942	5%	314	20%	1,256	1,121	(135)
3 Library Fund	1,621	227	1,848	15%	277	5%	92	20%	369	333	(36)
4 Parks & Recreation	1,803	926	2,729	15%	409	5%	136	20%	545	361	(184)
5 Building Inspectio	492	45	537	10%	54	5%	27	15%	81	129	48
6 Planning Fund	596	58	654	10%	65	5%	33	15%	98	121	23
7 Street Fund	628	540	1,168	10%	117	5%	58	15%	175	536	361
8 Water Fund	717	1,926	2,643	10%	264	5%	132	15%	396	695	299
9 Environmental	798	435	1,233	10%	123	5%	62	15%	185	396	211
10 SDC Fund	-	23	-		-		-		-	3,206	3,206
11 Parks Bond Fund	-	-	-		-		-		-	-	-
12 Debt Service Fund	-	-	-		-		-		-	135	135
	\$16,731	\$ 7,364	\$ 24,072		\$ 2,949		\$ 1,203		\$ 4,152	\$ 8,283	\$ 4,131

**Current Contingency Policy:
15% for PS, Library, Parks**

Reserves budgeted as Contingency	\$ 5,338
Reserves budgeted as Unappropriated	2,945
Total Reserves in Proposed Budget	<u>\$ 8,283</u>

2 Year Contingencies, Reserves and Potential Appropriations

(Amounts in Thousands: \$87 = \$87,000)

	Total			Reserve Policy Minimum						Proposed Budget	
				Contingency		Unappropriated EFB		Total		Reserves Proposed Budget	Over (under) Policy Minimum
	Personal Services	Materials & Services	(subject to reserve calculation)	%	Policy Minimum	%	Policy Minimum	%	Policy Minimum		
1 General Fund	\$ 4,617	\$ 2,363	\$ 6,980	10%	\$ 698	5%	\$ 349	15%	\$ 1,047	\$ 1,250	\$ 203
2 Public Safety Fund	5,459	821	6,280	10%	628	5%	314	15%	942	1,121	179
3 Library Fund	1,621	227	1,848	10%	185	5%	92	15%	277	333	56
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5 Building Inspections	492	45	537	10%	54	5%	27	15%	81	129	48
6 Planning Fund	596	58	654	10%	65	5%	33	15%	98	121	23
7 Street Fund	628	540	1,168	10%	117	5%	58	15%	175	536	361
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10 SDC Fund	-	23	-	-	-	-	-	-	-	3,206	3,206
11 Parks Bond Fund	-	-	-	-	-	-	-	-	-	-	-
12 Debt Service Fund	-	-	-	-	-	-	-	-	-	135	135
	<u>\$16,731</u>	<u>\$ 7,364</u>	<u>\$ 24,072</u>		<u>\$ 2,407</u>		<u>\$ 1,203</u>		<u>\$ 3,610</u>	<u>\$ 8,283</u>	<u>\$ 4,673</u>

Reserves budgeted as Contingency	\$ 5,338
Reserves budgeted as Unappropriated EFB	2,945
Total Reserves in Proposed Budget	<u>\$ 8,283</u>

Change Contingency Policy 15% → 10%

2 Year Contingencies, Reserves, and Potential Appropriations



FY 2019	Contingency		Unappropriated EFB		Total		Reserves Proposed Budget	Over(under) Policy Minimum
	Policy		Policy		Policy			
	%	Minimum	%	Minimum	%	Minimum		
General Fund	10%	\$ 698	5%	\$ 349	15%	\$ 1,047	\$ 1,250	\$ 203
Public Safety	10%	628	5%	314	15%	942	1,121	179
Library	10%	185	5%	92	15%	277	333	56
Parks & Rec	10%	273	5%	136	15%	409	361	(48)

Potential Appropriations when considering current BN18/19 Budget cycle only:

General Fund Currently Over Policy Minimum by	\$ 203
Transfer from General Fund to Parks & Recreation of \$50,000	(50)
Reduce Transfer from General Fund to Public Safety Fund by (\$170,000)	170
General Fund Over Policy Minimum adjusts to \$323,000	<u>\$ 323</u>

5 Year Contingencies, Reserves, and Potential Appropriations



FY 2022 Summary of Budgeted Reserves after adjustments to Reserve Policy and Interfund Transfers in FY 18

FY 2022	Contingency		Unappropriated EFB		Total		Reserves Proposed Budget	Over(under) Policy Minimum
	Policy		Policy		Policy			
	%	Minimum	%	Minimum	%	Minimum		
General Fund	10%	\$ 786	5%	\$ 393	15%	\$ 1,179	\$ 303	\$ (876)
Public Safety	10%	716	5%	358	15%	1,074	491	(583)
Library	10%	212	5%	106	15%	318	487	169
Parks & Rec	10%	307	5%	153	15%	460	473	13

*Note: This is with no increase to expenditures in BN 18/19 over proposed budget (General Fund ending fund balance starts going under policy beginning in FY20)



Budget Committee Tasks Remaining

- How to achieve sustainability goals *and* consider issues & options list?
- Deliberation and decisions on issues and options list
- Vote to approve Budget (as amended?) & Tax Rate

Fiscal Sustainability Strategies to Meet Contingency Policies

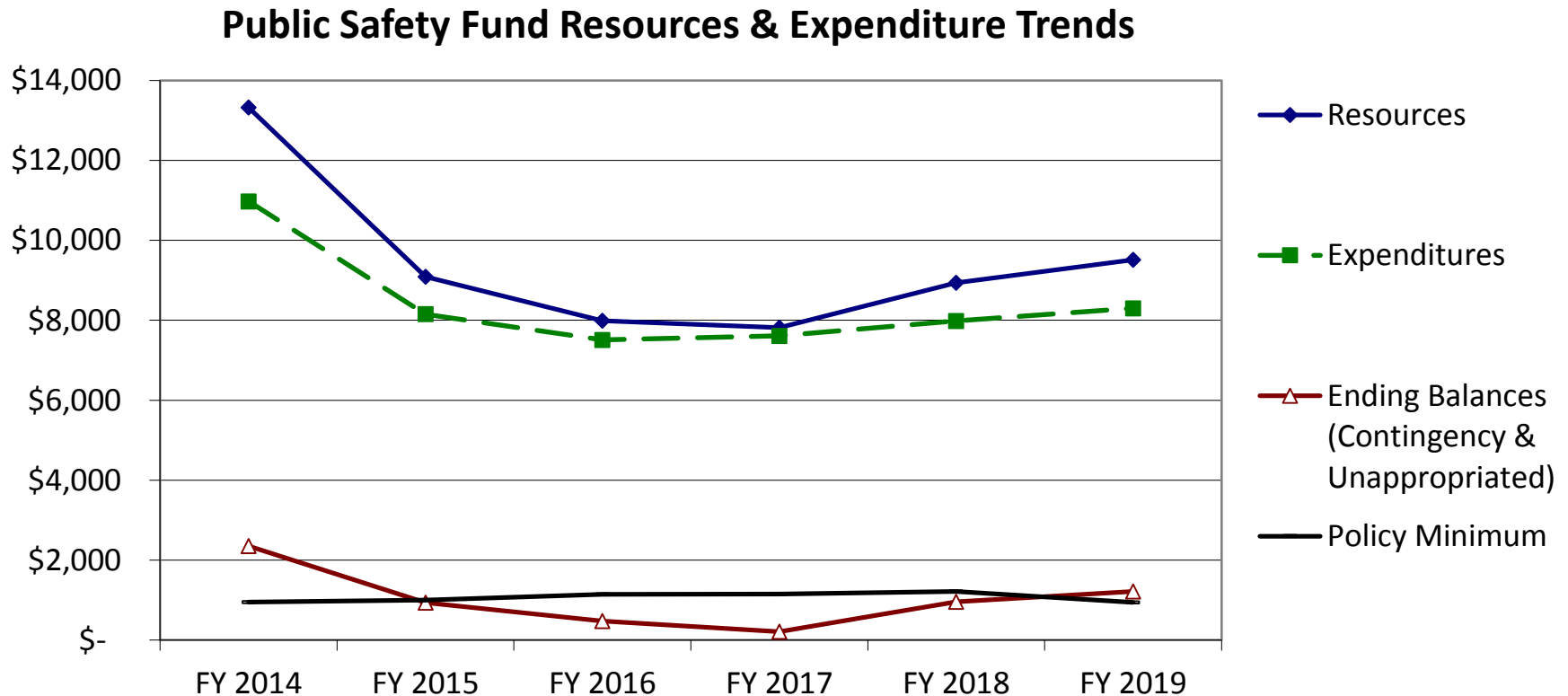


- ✦ Reduction of contingency for PS, Library, P&R Funds – this was the \$323 – okay for current biennium budget
- ✦ Still have a systemic problem in GF and PS on 5 year look
- ✦ Effect of new Public Safety Fee on PS and GF => 2 and 5 year look (handouts)

Fiscal Sustainability Strategies to Meet Contingency Policies



Effect of PS Fee on PS Fund – with reduced GF transfers



Fiscal Sustainability Strategies to Meet Contingency Policies



Effect of PS Fee on General Fund – reduced GF transfers to PS

5 Year General Fund Projection

	ACTUALS					PROJECTED					
	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Ending Fund Balance Policy requirement (15%)	844	905	839	926	964	947	1,018	1,047	1,138	1,185	1,235
Over (under) Policy	646	565	1,244	615	1,220	1,912	349	349	603	97	(182)
Total ending fund balance	1,490	1,470	2,083	1,541	2,184	2,859	2,099	2,120	1,741	1,282	1,053
Total Requirements	\$7,670	\$8,157	\$8,302	\$9,134	\$10,557	\$10,214	\$10,948	\$10,362	\$10,629	\$10,505	\$10,307

Issues & Options Deliberation



Issues and Options Items	Source	Suggested Expense Recurrence	Estimated Cost	City Manager Proposed	Budget Committee Approved	City Council Approved
Revenue						
Park Maintenance Fee increase per Muni Code	<i>Exclude from 5% utility cap</i>	n/a	n/a			
Fees and Charges Cost Indexing	<i>Raise by CPI factor annually</i>	n/a	n/a			
South Fork Water Costs Decoupling	<i>Exclude from 5% utility cap</i>	n/a	n/a			
Transient Lodging Tax Expansion	<i>Remove exemption</i>	n/a	n/a			
Sell City Services to Other Municipalities (e.g. IT)	<i>Intergovernmental agreement</i>	n/a	n/a			
Expand Revenue Programs (e.g. ODOT truck inspection)	<i>Intergovernmental agreement</i>	n/a	n/a			
Business License Increase	<i>Software upgrade</i>	n/a	n/a			
Local Gas Tax	<i>New fee</i>	n/a	n/a			
Street Maintenance Fee Increase	<i>Increase beyond 5%</i>	n/a	n/a			
Public Safety Fee	<i>New monthly fee</i>	n/a	n/a			
Increased Franchise Fees	<i>Increase to max. allowed</i>	n/a	n/a			
Right-of-Way Fees	<i>Expand fee collection</i>	n/a	n/a			
Expenditure						
City Administration Intern(s)	<i>Administration</i>	ongoing	\$ 10,000	\$ 10,000		
Code Updates (Expedite Docket)	<i>Planning</i>	one-time	\$ 100,000	\$ -		
Community Grants (additional funding)	<i>Non-Departmental</i>	ongoing	\$ 20,000	\$ -		
Council Meeting Closed Captioning	<i>City Council</i>	ongoing				
<i>Capital Outlay (one time)</i>			\$ 30,000	\$ -		
<i>Services (annual, \$110 x 108 hrs)</i>			\$ 12,000	\$ -		
Council and CAG Minutes Transcription	<i>City Council</i>	ongoing				
<i>US based (\$210 x 476 hrs)</i>			\$ 100,000	\$ -		
<i>Offshore provider (\$90 x 476 hrs)</i>			\$ 43,000	\$ -		
<i>Part-time employee (\$49 x 476 hrs)</i>			\$ 23,000	\$ 23,000		
GIS Mapping Support (1.0 FTE)	<i>Planning, Public Works</i>	ongoing	\$ 100,000	\$ -		
Waterfront Plan Consultants (BN 2018-19 only)	<i>Planning</i>	one-time	\$ 100,000	\$ 67,000		
Possible Additional Items:						
Grant to Business Districts	<i>Non-Departmental</i>	one-time	\$ 20,000 \$ 0			
Grant to Main Street	<i>Non-Departmental</i>	one-time	\$ 40,000			
Library Roof Repair*	<i>City Facilities</i>	one-time	\$ 300,000			
Robinwood Conditional Use Permitting	<i>Robinwood NA</i>	one-time	\$ 40,000			
Robinwood Station Building Improvements	<i>Robinwood NA</i>	one-time	\$ 750,000			
Sustainability Initiatives	<i>Non-Departmental</i>	ongoing	\$ 20,000			
WF Heritage Area Coalition	<i>Non-Departmental</i>	ongoing	\$ 40,000 \$ 30,000			
Willamette Falls Task Force	<i>Non-Departmental</i>	one-time	\$ 60,000 \$ 0	\$60K carried forward from FY17		
Lobby Remodel/Bolton Room Access	<i>City Facilities</i>	one-time	\$ 200,000			
Backyard Habitat Certification/SAB	<i>Non-Departmental</i>	one-time	\$ 17,000			
Cost of Growth Study	<i>Non-Departmental</i>	one-time	\$ 4,000			
TOTAL:			\$ 1,939,000	\$ 100,000	\$ -	\$ -

Budget Committee Vote



- Vote to approve Budget (as amended?) & Tax Rate



Next Steps



- Additional Budget Committee Meeting(s) if needed

- June 5th

Council Work Session on Master Fees and Community Grants

- June 19th

Council Adoption of 2018-19 Biennial Budget, including Community Grant Awards, and Master Fees and Charges Document.

Thank You



Our sincerest appreciation and gratitude to the Budget Committee for your time, effort, and detailed consideration during the budget process.

